



GSTA TPP 001 - Goods and services tax: Are investors (participants) in an agricultural managed investment scheme required to register for GST?

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 This document has changed over time. This is a consolidated version of the ruling which was published on *14 June 2005*



Goods and Services Tax Advice

Goods and services tax: Are investors (participants) in an agricultural managed investment scheme required to register for GST?

Preamble

*This document is a ruling for the purposes of section 37 of the Taxation Administration Act 1953. It illustrates the principles contained in **Goods and Services Tax Determination GSTD 2000/8** and **Miscellaneous Taxation Ruling MT 2000/1** on the meaning of 'enterprise'. You can rely on the information presented in this document, which provides advice on the operation of the GST system.*

Answer

An individual investor (sometimes referred to as a 'grower' or a 'participant') is required to be registered for GST if the investor meets the registration turnover threshold and is carrying on an enterprise. There is no capacity for the manager of an agricultural scheme to register for individual investors.

Section 23-5 of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act) states that an entity is required to be registered if it is carrying on an enterprise; and its annual turnover meets the registration turnover threshold. Subsection 23-15(1) of the GST Act provides that the registration turnover for an entity that is not a non-profit body is \$50,000.

Agricultural managed investment schemes are often structured so that investors carry on individual enterprises by engaging in business activities as primary producers. If an investor is carrying on an enterprise and they meet the registration turnover threshold, the investor is required to be registered for GST. These questions are determined on a case by case basis.

Application of this GST Advice

This Advice is based on GSTD 2000/8 and MT 2000/1. It explains our view of the law as it applied from 1 July 2000. You can rely on this Advice on and from its date of issue for the purposes of section 37 of the *Taxation Administration Act 1953*. Goods and Services Tax Ruling GSTR 1999/1 explains the GST rulings system and our view of when you can rely on our interpretation of the law in GST public and private rulings.

If this Advice conflicts with a previous private ruling that you have obtained, this public ruling prevails. However, if you have relied on a private ruling, you are protected in respect of what you have done up to the date of issue of this public ruling. This means that if you have underpaid an amount of GST, you are not liable for the shortfall prior to the date of issue of this later ruling. Similarly, you are not liable to repay an amount overpaid by the Commissioner as a refund.

Commissioner of Taxation

Date

Related Rulings/Determinations/GST Advice:

TR 97/11
TR 2000/8

Subject references:

carrying on an enterprise
GST turnover threshold
required to be registered

Legislative references:

ANTS(GST)A 1999 23-5
ANTS(GST)A 1999 23-15(1)
TAA 1953 37

ATO references

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